



DEPARTMENT OF THE AIR FORCE  
HEADQUARTERS AIR FORCE MATERIEL COMMAND  
WRIGHT-PATTERSON AIR FORCE BASE OHIO

64-10, Part 17  
Broughton  
14 Oct 99

21 Jan 99

MEMORANDUM FOR SEE DISTRIBUTION

FROM: HQ AFMC/PKP  
4375 Chidlaw Road, Suite 6  
Wright Patterson AFB OH 45433-5006

SUBJECT: Military Interdepartmental Purchase Requests (MIPRs)

1. As a result of the HQ AFMC/PK Directors' Conference, 19-21 August 1998, HQ AFMC/PKP received Action Item WPAFB 13 to research PK policy on MIPRs. As part of our action plan, we surveyed the PK field organizations to see what types of policy issues existed concerning MIPRs. We received a number of questions as a result of the survey and worked with HQ AFMC/FMP staff to obtain the appropriate answers.

2. The attached paper summarizes MIPR policy and includes a summary of the field questions and the corresponding answers. This memorandum will effectively close Action Item WPAFB 13. If there are any further questions, please contact our point of contact, Mr. Brandon Burton, HQ AFMC/PKPC, DSN 986-0329, or E-mail burtonb@wpgate1.wpafb.af.mil.

*Avery Sledge*  
AVERY P. SLEDGE, JR., Col, USAF  
Chief, Contracting Policy Division  
Directorate of Contracting

Attachment:  
Background Paper on MIPRs, w/1 Atch

2000-2-K

PK	OPR	OCR	INFO
PKP			
PKX			
PKO			
PK-3			
LBR			
LFR			
LJK			
LKK			
LTK			
LUX			
LXN			
LXZ			
LXK			

Other

DATE IN: 2-2-99  
DATE OUT: 2-8-99

## BACKGROUND PAPER

### ON

## MIPR POLICY

### PURPOSE

HQ AFMC/PKPC received Action Item WPAFB 13 from the 19-21 Aug 98 HQ AFMC/PK Director's Conference to research PK policy on Military Interdepartmental Purchase Requests (MIPRs) and the role of contracting personnel in the process. As part of the action plan to complete this action item, a survey of the field organizations was conducted to determine what MIPR-related questions or problems existed. This paper will provide a synopsis of what was found regarding MIPR policy. The most common MIPR questions or problems from the field, along with our answers and solutions, are attached.

### DISCUSSION

- Background information on MIPRs [DFAS-DER 7010.1, formerly AFR 177-101]
  - The MIPR is the primary document used by military services for ordering goods or services from other Department of Defense Components.
  - MIPRs do not distribute funds and are not considered funding documents per DFAS-DER 7200.1, formerly AFR 177-16.
  - There are two categories of MIPRs: reimbursable and direct citation.
    - The performing activity determines which type of funding is to be used.
  - Reimbursable MIPRs
    - The performing activity obligates its own funds to fill the order and then bills the requiring activity for reimbursement.
    - Must be accepted in writing before expiration of funds cited.
  - Direct Citation MIPRs
    - The performing activity cites the requiring activity's fund cite to fill the order.
    - The contractor may bill and be paid by the requiring activity directly or the performing activity may be billed and pay the vendor citing the funds of the requiring activity.
  - Acceptance of MIPRs is made by the performing activity through the use of DD Form 448-2.
    - The requiring activity is responsible for getting acceptance from the performing activity.
- MIPR Policy
  - HQ AFMC/PK has not issued specific policy regarding MIPRs.
  - FAR 17.5, Interagency Acquisitions under the Economy Act (as supplemented by the DFARS and the AFFARS); DFARS 208.7, Coordinated Acquisition; and DFAS-DER7010.1 provide general policy information.
  - Instructions for preparing the various MIPR-related forms are found in DFARS 253.208.
  - Discussions with HQ AFMC/FMPM indicate more specific Financial Management policy is delegated to the AFMC centers.
    - AFMC Instruction 23-102 states that each AFMC center which processes MIPRs will issue local instructions as necessary to implement DFARS 208.70, 253.208 and FAR 17.5.
    - It also states that each AFMC center determines the most effective and efficient organizational structure for the PR/MIPR Control function.
  - The role of contracting personnel varies depending on the policy and procedures set up by the local PR/MIPR Control Function.

Attachment:  
MIPR Questions and Answers

Mr. Burton/HQ AFMC/PKPC/6-0329/bib/20 Jan 99

## MIPR QUESTIONS AND ANSWERS

The following is a summary of the most common MIPR-related questions or problems reported from the PK field organizations in Oct 98 and the HQ AFMC/PKP answers. HQ AFMC/PKPC worked with HQ AFMC/FMPM to provide these answers.

**What efforts, if any, should be made to verify the validity of electronic signatures?**

While it is always an option for the contracting official to contact the certifying official for verification, this action is not normally necessary. DoD 7000.14-R, Vol. 5, para 3306 allows certification by manual, electronic or digital signature. If electronic certification is used, the certifying official must exercise adequate safeguards. The electronic certification adopted by the certifying officer must be unique to him/her, under his/her sole control and custody, able to be verified by the disbursing officer, and linked to the data certified in such a manner that if the data are changed, the digital or electronic signature invalidated.

**How do we determine who are the certifying officers?**

There is no register of certifying officers nor a requirement at any level to maintain one. However, the contracting officer can verify who the certifying officers are by requesting a faxed copy of the letter of appointment (DoD 7000.14-R, Vol 5, para 3305).

**Who is responsible for making the determination of propriety of funds certification? Is it the originating office or the program office receiving the funds?**

The originating office and the fund-certifying office are responsible for determining that the funds are appropriate for the purpose to be used.

**How can we clarify the type of funds provided in the fund cite?**

AFMAN 65-604 identifies the type of funds for the Air Force, National Guard and Reserve, and DoD appropriations. Use and Structures of fund cites are identified in the Financial Management Handbook, Chapter 34. The first seven digits of the fund cite identify the government agency/department, the fiscal year of the appropriation, and the appropriation symbol. Codes can be found in the above references and in DPAS-DE 7010.1-R (Formerly AFR 177-101), para 16-5.

**Is there a standard configuration for the fund cites?**

While there is not a standard configuration for all fund cites, some of the data fields are similar. As the previous answer indicated, some of the fund cite information such as: type of funds, agency, and fiscal year, can be traced because they follow a similar configuration. Beyond this, however, the data fields and configurations vary significantly depending on the type of appropriation involved.

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**Can MIPR policy be amended to direct customers that order from Fee for Service organizations to include a reimbursable MIPR for surcharge work?**

When processing MIPRs for Fee for Service, the MIPR should provide for all funds necessary for the contracting action, including any surcharge fee. Only one MIPR should be necessary. However, since much of AFMC's financial management MIPR policy is delegated down to the AFMC centers, local instruction may require the use of separate MIPRs for contracting actions and surcharge work. The local PR/MIPR Control function would be responsible for amending this type of policy.

**Is it an approved practice to receive MIPRs from outside organizations that certify fund availability for the next year well before 1 October?**

It is a violation of the Antideficiency Act to authorize or incur obligations in advance of funds being available. MIPRs citing funds in advance of an appropriation must not be accepted prior to 1 October. Acceptance of the MIPR by the performing activity provides the authority to obligate the funds of the requesting activity. The MIPRs may be returned unaccepted or be held until funds have been certified and are available.

**Can you provide any clarification of GSA requesting users to use Category II MIPRs, which obligate monies immediately upon acceptance?**

*2 types of MIPRs  
1. Reimbursable  
2. Direct cite*

In accordance with DFAS-DE 7010.1-R, there are two categories of MIPRs: Reimbursable (Category I) MIPRs and Direct Citation (Category II) MIPRs. With reimbursable MIPRs, the performing activity obligates its own funds to fill the order and then bills the requiring activity for the work or service. With direct citation MIPRs, the performing activity cites the requiring activity's fund cite, and the requiring activity is billed for the work or service. It's up to the performing activity, in this case GSA, to determine which category is appropriate.

**MIPRs are forwarded directly to GSA without complying with all applicable regulations and policy. Are there any established methods to verify/review compliance to FAR, DoD, and Air Force policies and procedures?**

When MIPRs are sent to GSA for GSA to act as the ordering activity to purchase items under Federal Supply Schedules, the Economy Act applies. Because this is an interagency acquisition under the Economy Act, the D&F requirements of FAR Subpart 17.5 and its supplements would apply. This process should provide the required verification and reviews.

However, Economy Act requirements of FAR 17.5 are not applicable for:

a. Acquisitions through GSA's Federal Systems Integration and Management Center (FEDSIM) and Federal Computer Acquisition Center (FEDCAC) and similar programs that are funded in a reimbursement basis through the Information Technology (IT) Fund and approved by OMB as part of the annual costs and capital plan for the IT fund;

What's this mean?

b. Pre-Clinger-Cohen Act multiagency contracts such as Desktop V, Ulana II, and ITOP that were awarded pursuant to a DPA from GSA under the Brooks Act. Note that Post-Clinger-Cohen Act multiagency acquisitions of information technology are subject to Economy Act requirements.

**The process of extracting funds from MIPRs and placing them on a local supply document register (AF Form 36) loses visibility/identity of the MIPR. Can anything be done to avoid this?**

Since each AFMC center determines the most effective and efficient organizational structure for the PR/MIPR Control function, the local FM community would be responsible for procedures and guidelines regarding extractions. However, cross referencing the AF Form 36 to the MIPR # is a possible solution.

**How do you close MIPRs when all funds are not used?**

When work is completed and the amount authorized on the MIPR is more than the funds used, the performing activity must inform the requiring activity to withdraw/deobligate the excess funds via an amendment. The performing activity is prohibited from further use of such excess funds (DFAS-De 7010.1-R).

**What are the guidelines on switching money from one project to another project after the funds were received on one MIPR and obligated on contract?**

Funds must be officially withdrawn and deobligated from the present MIPR/contract with the MIPR and contract amendment. Requirements for additional line items of supplies or services not provided for in the original MIPR must be submitted as a new MIPR with new funds obligated on the new MIPR/contract (AFR 177-101(C2)(6)) and (AFR 177-102 (c)).

**Should there be a single focal point in each ALC Product Directorate that accepts MIPRs? If so, who?**

Each AFMC center should determine the most efficient organization structure for the PR/MIPR Control Function. One of the Center Commander's options is to establish a centralized function supporting all the directorates. Several directorates and functions share responsibility for processing PR/MIPRs. If the preponderance of MIPRs accepted are for contract versus in-house work, it may be beneficial to establish the office in the Directorate of Contracting because Contracting would be more heavily involved in PR/MIPR processing than any other activity. If the Center were more involved with in-house MIPR work, then the performing activity may establish the office.

**Are there limits on the amount of MIPRs we can receive from another organization?**

No, there are no limits provided you have sufficient Reimbursable Budget Authority (RBA) available (if you are not using automatic apportionment of O&M), and any work done in house can be completed while the funding is current. You cannot exceed RBA. For additional RBA, requests should be sent to HQ AFMC/FMAI.

If the MIPR is for in-house work, only accept it if the work can be completed before the customer's funds expire. If you accept the MIPR under the Economy Act, you must either finish all in-house work before funds expire or request funds be replaced with current year funds for unfinished work. If the MIPR is for work that will have to be contracted out, it has to be put on contract before the customer's funds expire.

**Is there anyway we can get the Navy to change its policy of waiting until the work is certified complete before posting the obligation into their accounting system? This is causing a big problem when we have to comply with DFAS requirements to prevalidate obligations.**

No. At this time the Navy does not intend to change its policy. Therefore, to avoid this, only accept MIPRs from the Navy on a direct-cite, (Category II) basis. The contractor or supplier may bill and be paid by the requiring activity directly or the performing activity may bill and pay the vendor invoices citing the funds of the requiring activity (DFAS-DE 7010.1-R, para 17-11d(1)). Additionally, HQ AFMC/PK and HQ AFMC/FM are currently working this issue as part of a separate action item.

**Is there a consistent interpretation across the command as to whether or not MIPRs going to other DoD organizations are subject to the Economy Act?**

MIPRs going to other DoD organizations are subject to the Economy Act. However, FAR 17.5 only applies to interagency acquisitions under the Economy Act. Interagency would be between a DoD activity and another federal agency.

FAR 17.500 states that procedures for intra-agency transactions are addressed in agency regulations. Intra-agency would be a transaction between major organizational units within DoD, such as between the Air Force and the Army. DoD has not established procedures for its own intra-agency transactions. The various services also have not established intra-agency procedures. This lack of guidance appears to be intentional. Therefore, while the Economy Act applies, there are not established procedures or requirements, such as D&F requirements, which must be met.

We believe it would be prudent for contracting officers to prepare signed memos to the file for intra-agency transactions addressing the FAR 17.503 D&F requirements. They would not be official D&Fs. There is no requirement that they must do so.